

B. LSC Service Order Process Flow

20. The LSC employs essentially the same process flow for manual orders placed by telephone, courier, U.S. Mail, or facsimile, depending on the nature of the request, and/or the desires of the CLEC. LSC service representatives receive CLEC requests via simple forms created locally by SWB or Local Service Requests (LSRs) (as approved for use nationally by the Order and Billing Form [OBF]). Upon receipt, the LSC logs the request by CLEC (Attachment 2). The log then is distributed to the Area Manager work group responsible for that CLEC. The assigned LSC service representative is responsible for reviewing the CLEC service order request for completeness and accuracy.
21. If the CLEC service order is determined to be incomplete or incorrect, the LSC representative notifies the CLEC by telephone or by fax of the missing or incorrect information. If the CLEC is reached by telephone and the necessary information can be secured, the request is amended and the order is input into the SWB system. If the attempt to reach the CLEC by telephone is unsuccessful or if the information is to be faxed, the representative will make the necessary notation on the request form identifying the needed corrections and return it to the CLEC. (Attachment 3).
22. Once it is determined that the request is complete and correct, the LSC service representative inputs the order into one of the same legacy systems that SWB retail representatives utilize to process orders for SWB's retail customers. These systems include Consumer and Business EASE (Easy Access Service Order Entry), DOES (Direct Order Entry System), and EXACT

(Exchange Access Control and Tracking). As discussed by Ms. Ham in her affidavit, these systems are precisely the same systems utilized by SWB's retail service representatives in pre-ordering and ordering services for its own retail customers. A list of services supported by these systems can be found in her affidavit.

23. Once the manual orders are input and distributed to downstream departments that will complete the order (see the Affidavit of Linda Kramer concerning the role of SWB's LOC in provisioning CLEC service orders, and the Affidavit of Michael Auinbauh outlining the involvement of various SWB departments and organizations in the provisioning of Interim Number Portability), the assigned telephone number, order number and service due date are noted on the log. This log is then faxed back to the CLEC and serves as a manual Firm Order Confirmation (FOC) which provides receipt notification, due date of order, telephone number assigned, and an order number for reference. The FOC confirms that SWB has received and processed the order, and provides the "due date" for provision of the requested service by SWB to the CLEC.

24. SWB assigns due dates for provisioning of CLEC service order requests on a non-discriminatory basis. The due date selection and provisioning flows (including such things as line number assignment, facility assignment, etc.) utilized by the LSC for CLEC service order requests are the same as those utilized by SWB's retail sales representatives for provisioning service to SWB's retail customers. Due dates for residential and simple business orders are determined by accessing EASE, and are assigned by work load demand of

installation forces, regardless of whether the request is made on behalf of a SWB retail customer or a CLEC. For complex services, due dates are obtained based on the work involved, using either a predetermined interval or a mutually negotiated due date. Again, the same methods for due date assignment are utilized by SWB's retail operations.

25. SWB's interconnection agreements specify that SWB will provide CLECs with a FOC within 24 hours of receiving a complete and accurate service order request. However, it is the LSC's standard practice to return any incomplete/incorrect order requests within a shorter time frame to enable the CLEC to correct and resubmit the request in sufficient time to meet its originally requested due date whenever possible.

26. Currently, SWB's provision of FOCs to CLECs is a manual process. A mechanized FOC Fax/Electronic Entry Process is being developed which will link SWB's service order database to a fax server process. This fax process will mechanically fax the FOC to the CLEC with no human intervention. In doing so, it will also provide an audit trail on when the FOC was returned to the CLEC. A report will be returned to the CLEC including the due date, order number, listing name, billing telephone number, etc., which are mechanically generated from SWB's service order database. This system will provide the capability to run statistics on the average time associated with returning FOC notices, detailed information associated with each CLEC, and statistics on the different time frames associated with the various ordering processes, i.e., manual vs. electronic. SWB expects this new process to be in place by end of the first quarter, 1998.

27. One area of concern expressed by a few CLECs in state proceedings involves jeopardy notification, i.e., notice prior to the due date that the service installation may be delayed. Jeopardy notifications are necessary for a variety of reasons, such as additional design work or the need to secure network facilities. It is the responsibility of the LSC to inform the CLEC of the potential missed due date as the LSC is notified of the situation. The LSC uses the same systems for tracking potential "jeopardy" for CLEC service order due dates as SWB uses for its own retail operations. The Subscriber Held Order Tracking System (SHOTS) is used to track service order provisioning activity in jeopardy status. The LSC service representative checks SHOTS daily for orders in jeopardy. The service representative will contact the installation control center or engineering group which is responsible for the CLEC service order in jeopardy, to obtain an estimated due date. The CLEC is notified of the possible miss and given the estimated revised due date. Follow up calls are made to verify that revised due dates will be met and the CLEC is kept informed of any changes.

V. Billing and Collections

28. The LSC is also responsible for billing and collecting monies owed to SWB by CLECs for services ordered on behalf of their end users. Interconnection agreements specifically address the CLECs' financial responsibilities regarding bill payment to ensure continuous service to the end user. It is the responsibility of the CLEC to remit any monies due to SWB, as stipulated by contract. It is the responsibility of the LSC to ensure that the necessary

procedures have been put in place to enforce the prompt payment of any monies owed to SWB.

29. As previously mentioned, in order to establish and maintain parity and uniformity between similarly situated CLECs in billing and collection procedures on all CLEC accounts for the five-state region, a centralized group specializing in these activities was created January 1998. This operation is similar to the billing and collection operation in SWB's retail operations. This LSC group serves as the single point of contact on all billing and collections issues and questions CLECs may have. This group monitors all CLEC bills for payment, answers billing questions, makes adjustments for incorrectly billed amounts and generally performs the same type of function that any billing and collection unit would for any large company. This unit was established with initial staffing of one Area Manager, one line supervisor and 17 service representatives. This team is also responsible for resolving any billing disputes which may arise. Disputed amounts generally occur when a CLEC or SWB has incorrectly input a service order. Some of the most common types of disputed charges result from failing to waive installation charges, incorrect tax information which results in an under or over billing of the account, or incorrectly applied repair charges. To date, the LSC billing and collections group has been involved in several negotiations with CLECs on bill disputes and has taken action to investigate and adjust incorrect amounts or explain why the amounts are correct and collect monies owed to SWB. Interconnection agreements with CLECs require that any monies that are disputed be deposited by the CLEC into an interest-bearing escrow account established by the CLEC while the dispute is being resolved. To date, it has been

necessary to establish only one of these accounts as the LSC and the CLECs have been able to resolve most situations before they were escalated to a formal dispute process. Lastly, all collection activity on delinquent CLEC accounts will be initiated by this group, and the group will work closely with the Account Managers and Legal to ensure contract compliance.

VI. The LSC's Ability to Meet Anticipated CLEC Demands

30. The LSC monitors CLEC ordering activity on a daily and weekly basis to determine trends and is prepared to react to any increase in volume. Spikes in order activity are handled by authorizing overtime; temporarily transferring personnel; or temporarily transferring responsibility for particular categories of orders from one group to another. Initially representatives are hired and trained in one discipline, i.e., to handle residential accounts or simple business accounts. As the need arises on job, these individuals are given additional training to handle other types of order requests. Additionally, these representatives in turn may be formally trained to handle other service requests, i.e., complex business accounts or requests for unbundled network elements. Because of this cross training, many of the LSC service representatives can handle multiple types of service order requests. This gives the LSC the flexibility of moving service representatives from one function to another, e.g., from business resale to residence resale. Currently, more than 34% of our service representatives have been trained in an additional function other than that for which they were initially hired and trained. By the end of 1998, an additional 40% of the LSC service representatives will be cross-trained in some other function. In the event of a sustained increase in order activity, an expedited training curriculum exists which will shorten service

representative training time by more than 33 %, while still equipping the employee with the basic tools needed to perform the service representative job effectively.

31. To better prepare for CLEC demand, SWB has requested forecasts of expected transaction/order volumes from several of the larger CLECs. To date, however, few CLECs have provided any forecast information with which SWB could develop resource strategies. In the absence of forecasts from the CLECs, SWB has utilized actual historical transaction volumes as well as its own internal forecasts as the basis for our staffing and planning. Some of these elements considered by SWB include: CLEC applications for authority to provide services in each state, CLECs approved and the type of agreements (resale only and/or interconnection) they have with SWB, CLECs with approved tariffs, discounts for resold services and marketing efforts of the approved CLECs.
32. Throughout 1997, the LSC has aggressively hired and trained service representatives and managers to be available for potential order demand. Based on the factors outlined above, as well as the LSC's commitment to operate without a backlog, the LSC has staffed to its current level of 735 employees. More than 550 of these employees are service representatives, trained in processing manual and electronic orders. By year-end 1998, based on forecasted demand and current production loads, the LSC will require a staff of 745 service representatives to process the monthly order and order related work.

33. The Affidavit of Carl Thorsen, a principal of Coopers and Lybrand, contains a detailed analysis of SWB's current capacity to process manual and electronic order transactions for resale and unbundled network elements, SWB's ability to respond to increases in both resale and UNE activity and the sustainability of SWB's OSS systems. Details of the process Mr. Thorsen used in analysis of the LSC's ability to meet order demand are contained in his Affidavit.
34. As stated by Mr. Thorsen, in December, 1997 the LSC processed 83,543 manual orders, when its manual ordering capacity during that same month was 432,946 orders. Thus, during the month in which the LSC handled the most manual orders it had ever processed, it still had more than sufficient region wide capacity to handle such orders.
35. Staffing and operational procedures are constantly being re-evaluated. However, the above figures clearly demonstrate that SWB's current capacity greatly exceeds demand. Mr. Thorsen's analysis further reports that SWB's capacity for processing most types of manual orders based on current forecasts is more than twice the forecast order volume for every month in 1998. This capacity, together with the LSC's demonstrated ability to ramp up quickly to establish workstations, train service representative and establish procedures to stay current with marketplace developments shows that the LSC can meet the anticipated CLEC demand for ordering, provisioning and billing services.

VIII. SWB's Efforts to Accommodate CLEC Requirements

36. LSC has strived to establish a good working relationship with all CLECs. This is done, in part, by training CLECs to utilize SWB's offerings properly. SWB offers CLEC education in two As the CLEC's single point of contact for ordering, provisioning and billing and collection, the categories, i.e., workshops and OSS classes. All CLEC classes are instructor-led, in-class sessions. This enables instructor to ensure a quality learning experience and level of understanding for each student, rather than rely on self-instructional tools. SWB offers a variety of initial workshops on how to do business with our company. Workshops cover operational information that is required for both manual and electronic order processes. Workshops and classes are covered in detail in Mike Auinbauh's Affidavit.
37. These workshops are often followed by CLEC-specific operational workflow meetings which outline standard practices and procedures and discuss any request made by the individual CLEC. This gives the CLEC the opportunity to discuss any specific need that may exist in their business which would require a modification in either their procedures or the development of a new SWB practice to incorporate that request. Examples of issues that have been addressed are how the CLEC can submit orders, how due dates are determined, what charges are applicable to what type of service, etc. Once these specific practices are established and agreements and contracts are signed and approved, then the CLEC and SWB can begin business.

38. Starting a new enterprise is never easy, and SWB recognizes this. Although training and handbooks are provided, the LSC is called on to help with such tasks as how to get an order issued, how to order directories, and procedures to follow if special attention is needed for a service request. For example, when two CLECs in Oklahoma wanted to begin processing resale and interconnection orders, SWB, at its own expense, sent LSC personnel to their headquarters and worked with them as they began their order processing. On three separate trips to these CLECs, an LSC communications consultant trained the CLEC personnel on how to complete the appropriate request forms for resale and interconnection order requests. Copies of the forms as well as a manual on the ordering guidelines for both of these services were provided. Both companies expressed appreciation for our efforts.
39. When problems occur in meeting CLECs' expectations, the LSC has worked cooperatively with CLECs to resolve them. One such area is SWB's provisioning of Interim Number Portability (INP). Through INP, SWB customers who switch to service provided by CLECs can continue to be reached at their old SWBT number even though, in most instances, those customers are assigned a new CLEC number. As described in detail in the Affidavit of Michael Auinbaur, INP is provided to switch-based CLECs, in those instances in which the CLEC has acquired a former Southwestern Bell customer and seeks to transfer service from Southwestern Bell. Accordingly, the provision of INP involves the transfer of a switch-based service from SWB to the CLEC. As Mr. Auinbaur points out, this transfer of service requires a tremendous degree of coordination and cooperation between SWB and the CLEC,

and between internal SWB departments and organizations, in order to ensure that the transfer is accomplished with a minimum degree of disruption to the end-user.

40. The LSC is responsible for handling CLEC order processing for INP. In order to provision INP, the LSC service representative enters orders into the appropriate SWBT legacy systems to disconnect the end-user's SWBT dial tone, and to activate INP by Remote Call Forwarding the old SWBT number to the end-user's new CLEC number. The LSC service representative types these INP orders into the exact same systems used by SWBT to provision vertical line features, including Remote Call Forwarding, for its own retail customers.

41. In order to ensure that service is not disrupted to the CLEC end-user, it is important that downstream SWB departments and the CLECs work the "disconnect" and "new connect" orders simultaneously. Working of the order to disconnect must be immediately followed by working of the reconnect order (including, where necessary, "hands-on" work on the central office frame to remove the cross-connect between the SWB loop and switch, and placement of a new cross-connect from the SWB loop to the CLEC switch) or service to the end-user will be disrupted.

42. In order to make sure that the disconnect and new connect orders for INP are properly associated with each other by the various SWB departments, the LSC service representative inputs the service orders as CRO, or Cross Related Orders. This tells all downstream

organizations that this is one of two orders that need to be worked simultaneously. The due date is determined according to guidelines contained in the SWB interconnection agreement. Under these guidelines, SWB generally returns INP due dates on orders involving 1-10 lines within 5 days; 11-20 lines within 10 days; and more than 20 lines, based on negotiations with the CLEC. The orders also contain a notation that the order is part of a coordinated cut and they contain a frame due time, which is based on customer request. The frame due time is the time assigned for the INP cutover to be activated. Inclusion of the frame due time on the INP orders tells the central office frame attendant that the order is not to be worked until the specified time. However, wherever possible, SWB tries to accommodate CLEC requests for shorter time frames, and has provided many cutovers on a shorter time frame than that required by the wording of the interconnection agreement.

43. In the initial rollout of its INP service, SWB experienced some problems when disconnect and new connect orders were not properly associated in the system, or were misread by frame attendants in the central office. This resulted in some disconnection of service to CLEC end-users. On review, SWB discovered that such problems resulted from a number of causes, including failure of LSC service representatives to correctly flag the orders as RRSO, and to properly designate frame due times. Problems were also created by failure on the part of CLECs to provide correct information on the service order request, and to provide sufficient advance notice of a change in the requested due date. In response to these problems, the LSC has undertaken to reinforce with its service representatives the importance of properly inputting all required information on all INP service orders. The

LSC also has sought to improve communication with CLECs regarding the importance of providing sufficient notice for changes in INP due dates, and of providing correct information as part of its service request. Finally, the LSC has worked to coordinate efforts with other SWB departments to ensure that INP orders are worked with as little disruption as possible. For instance, the LSC service representative contacts the SWBT LOC before the INP orders are released to confirm the due date and frame due times, and to make sure the LOC is aware that release of the order is imminent.

44. To further ensure that INP procedures work properly, SWB initiated a weekly, inter-departmental conference call to review all of the INP cuts for the previous week. On this call we discuss any cutover problems that have been encountered. On cuts that had problems, a "root cause analysis" is performed to determine what the problem was and what can be done to prevent similar problems. These meetings began in December 1997 for Oklahoma and have now expanded to the five-state region.

45. As a result of these efforts, SWB is able to port numbers for CLECs in Oklahoma and throughout its five-state region smoothly and without disruption to the end-user. For example, in April of 1997, SWB worked a complicated, 1200 line INP cutover for one CLEC in Oklahoma. Among other things, working this order involved the issuance of 2400 separate "disconnect" and "reconnect" orders by the LSC; two switch upgrades on an expedited basis (requiring intervention with the switch vendor); and working from 6:30 p.m.

on a Friday evening until 6:00 p.m. on Saturday to complete the job on the schedule requested by the CLEC. Internal coordination by SWB, coupled with cooperation and communication from the CLEC, resulted in the cutover proceeding as scheduled and without service disruption to the CLEC customer.

46. The Affidavit of Mike Auinbauh fully outlines the complexity of the INP process and the importance of coordination, communication and cooperation between SWBT and the CLEC, while the Affidavit of Linda Kramer explains the INP coordination function performed by SWB's LOC. As this affidavit, together with the Affidavits of Mike Auinbauh and Linda Kramer demonstrate, SWB has devoted the time and effort necessary to ensure that INP is provided to CLECs "with as little impairment of functioning, quality, reliability, and convenience as possible" in compliance with Section 271(c)(2)(B)(xi).

47. As we establish business relationships with the CLECs, SWB is committed to continuing its tradition of excellent customer service. As in any alliance, there may be occasional problems that occur and the customer may complain to a higher authority, both internally to SWB management or externally to regulatory agencies. The LSC has implemented a structured procedure for handling all formal and informal complaints, and manager involvement is required as resolutions are reached. When a complaint is received in the LSC, it is immediately referred to a manager whose responsibility it is to complete the appropriate tracking form (Attachment 6), and hand deliver this form to the manager who will complete the investigation. The investigation gets underway, and resolution is quickly

sought. This manager, along with their Area Manager, will review the initial complaint form for accuracy and completeness and delivery a copy of it to the District Office for tracking. Within 24 hours, a status report must be submitted on a second form. This process continues for every 24-hour period that the complaint is unresolved. Once resolution is reached, a final form closing out the complaint is completed.

48. An example of this is a current situation with Western Oklahoma Long Distance d/b/a Dial Tone Savers (DTS). The LSC has been working diligently with DTS to come to an agreement on billing matters, even sending a team of three LSC employees (an Area Manager, a line manager and a service representative) from Dallas, at SWB's own expense, to meet with DTS at their offices in Clinton, Oklahoma. During that meeting, the LSC team pointed out that DTS had been issuing orders incorrectly, causing some of the disputed amounts. At the same meeting, SWB pointed out adjustments for some charges which had been incorrectly billed to DTS and which had already posted to DTS' accounts and had been reflected on their bills, but which DTS appeared not to know occurred. At this meeting, the SWB representatives also assisted the DTS representatives in discerning how to identify the charges and adjustments in question on an Electronic Data Interface (EDI) bill. In January 1998, as a result of requests made by DTS, certain local enhancements and changes were made to the EDI bills rendered to CLECs by SWB. During the course of these negotiations, DTS filed an informal complaint with the FCC and the Oklahoma Corporation Commission outlining their billing problems and other concerns. On resultant conference calls, the FCC took the position that SWB and DTS

should be able to resolve these issues without the Commissions' intervention (see Attachment 7 for correspondence summarizing the details).

49. As discussed throughout this affidavit, SWB has committed substantial resources assisting CLECs successful entry into the local marketplace. The services provided and efforts expended demonstrate SWB's dedication to this growing market.

50. This concludes my affidavit.

The information contained in this affidavit is true and correct to the best of my knowledge and belief.

Nancy J. Lowrance

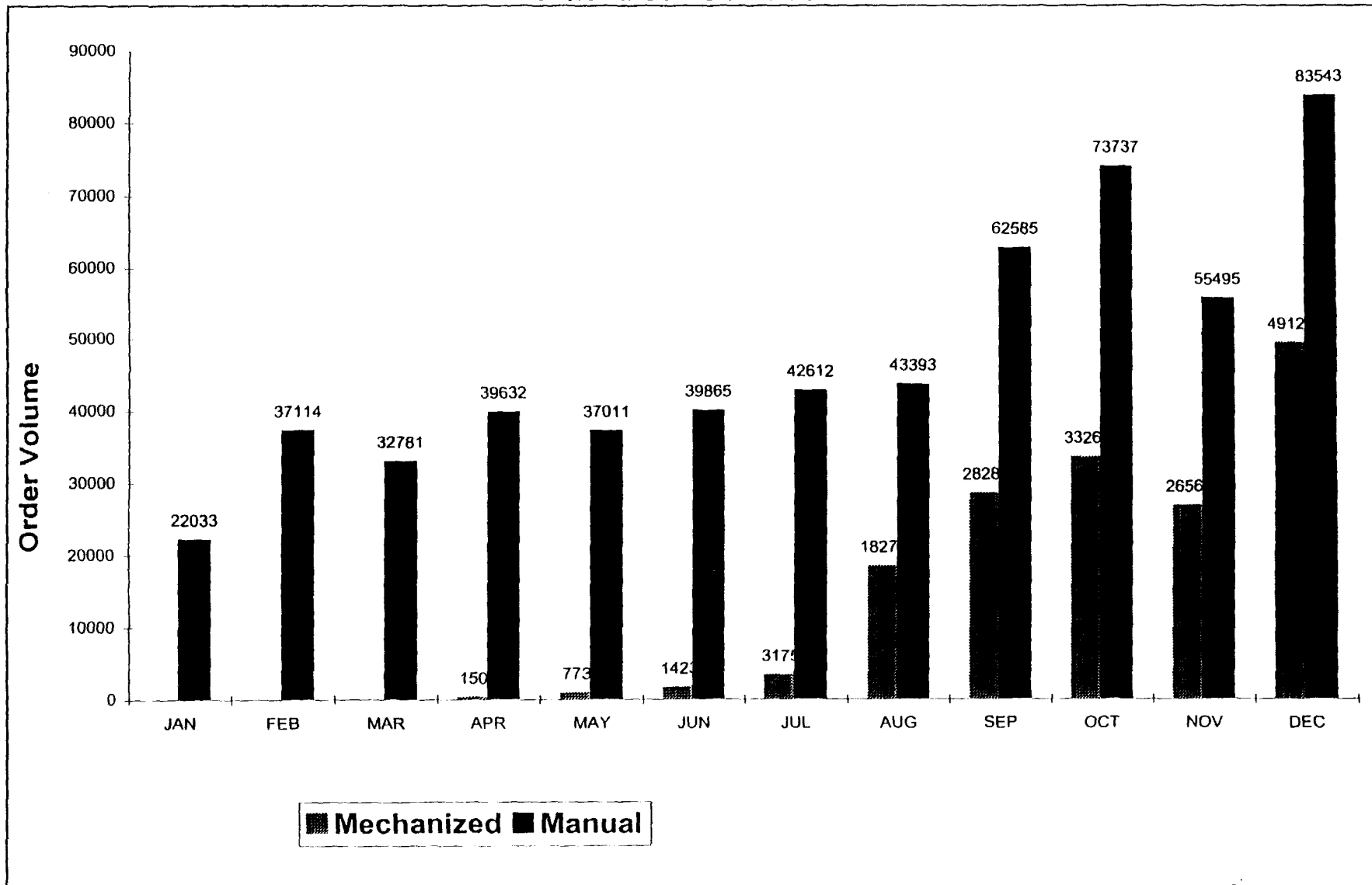
Subscribed and sworn to before me this _____ day of _____, 1998.

NOTARY PUBLIC

My commission expires:

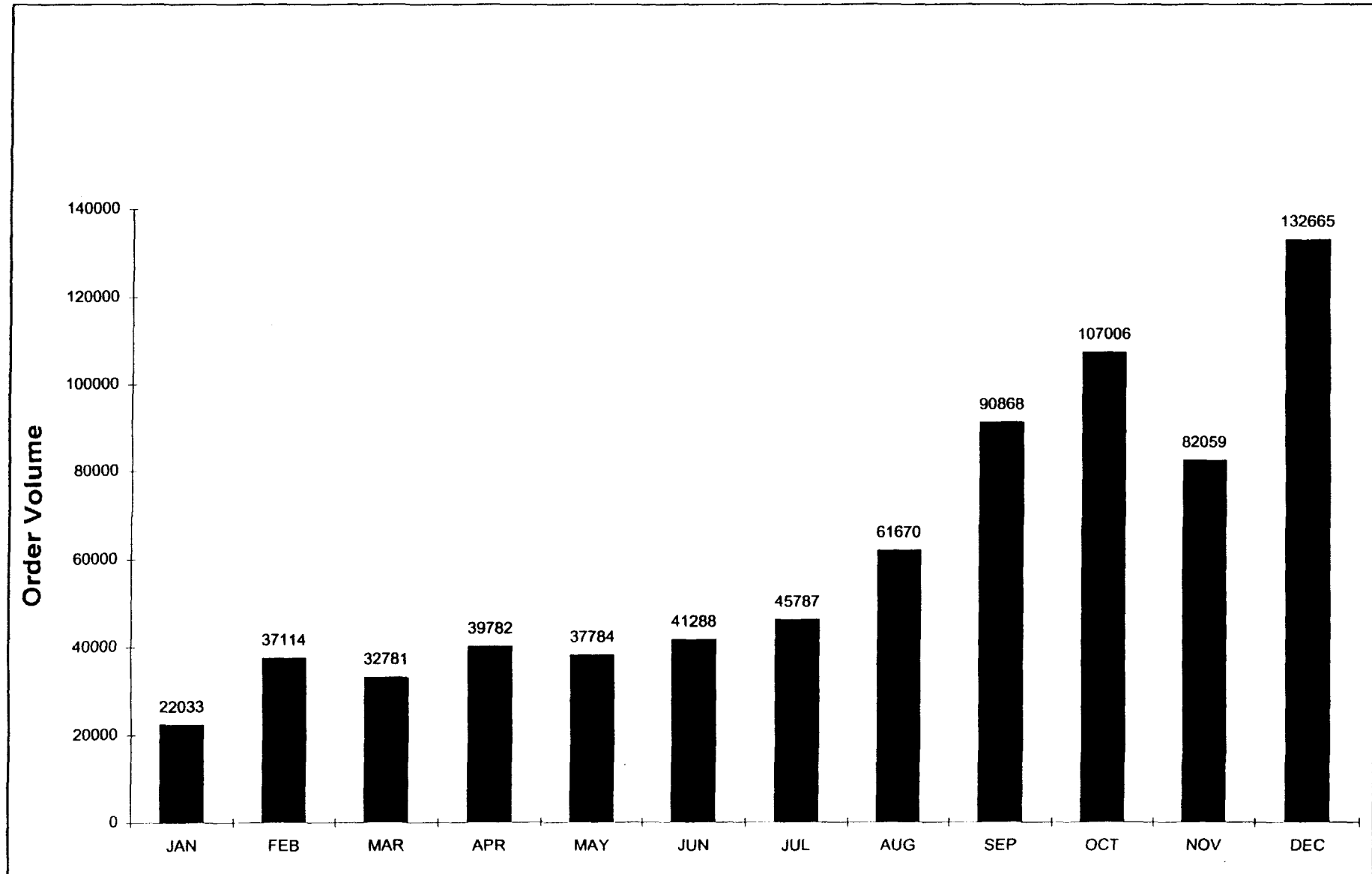
Southwestern Bell
1997
Order Volume
Mechanized vs Manual

Attachment 1



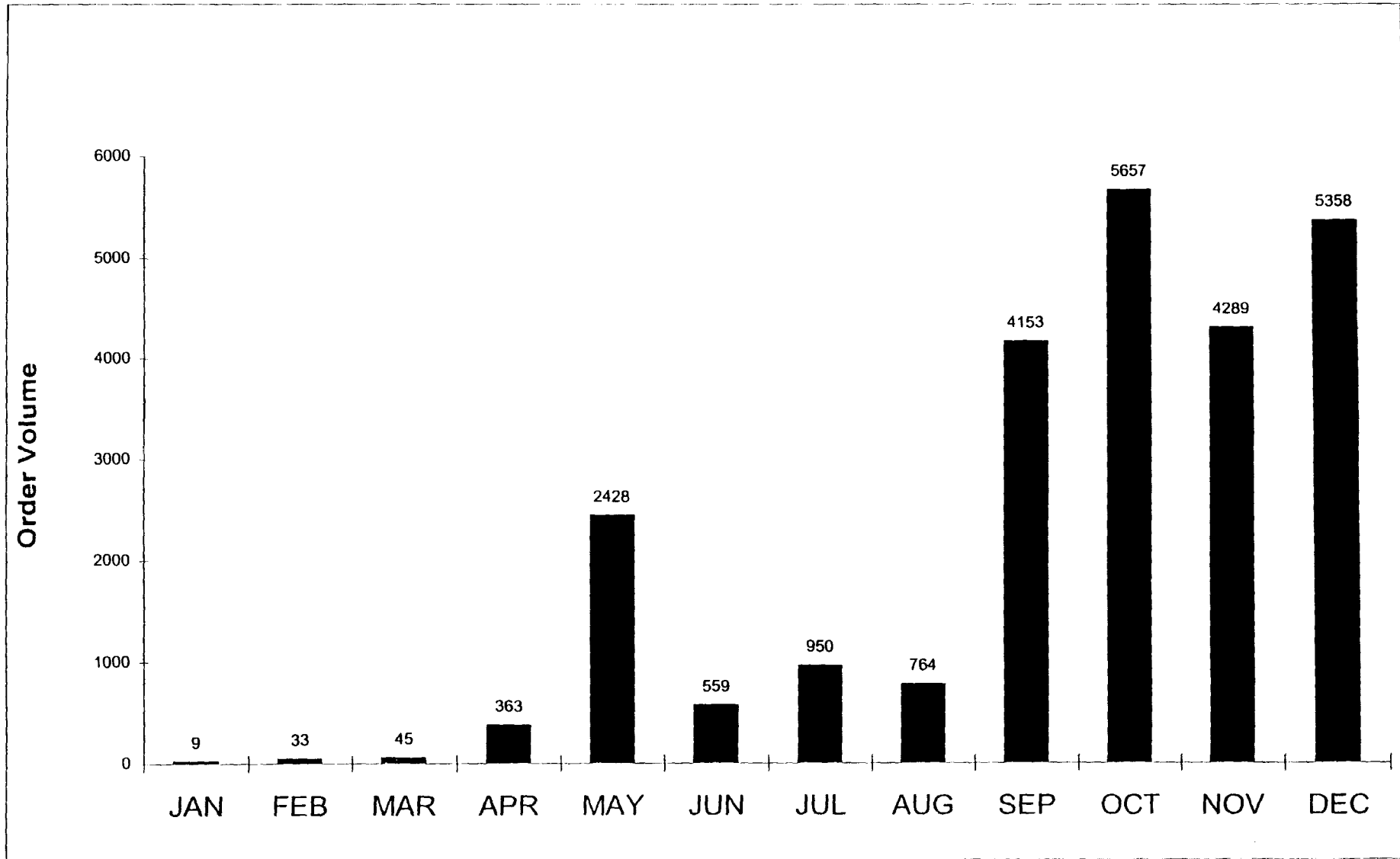
**Southwestern Bell
Total Order Volume
1997**

Attachment 4



Oklahoma 1997 Order Volume

Attachment 5



CUSTOMER COMPLAINT INVESTIGATION

COMPLAINANT:

DATE/TIME RECEIVED:

TYPE OF COMPLAINT:

COMPLAINT SOURCE:

NATURE OF COMPLAINT:

INVESTIGATION:

COMPLAINT DISPOSITION:

DATE RESOLVED:

MANAGER NAME/CONTACT NUMBER:

PROPRIETARY

Not for use or disclosure outside Southwestern Bell except under written agreement.

3/11/97



February 2, 1998

Mr. Angel Cartagena
Enforcement Division
Common Carrier Bureau
Federal communications Commission
2025 M Street, N.W., Room 6331
Washington, D.C. 20554

Re: Western Oklahoma Long Distance d/b/a Dial Tone Savers
Informal Complaint - IC No. 98-1217103753DF

Mr. Cartagena:

The above-mentioned complaint was received by facsimile on January 6, 1998. This letter reports the progress made following the Commission's January 9, 1998 and January 20, 1998 conference calls with Southwestern Bell Telephone Company (SWB) and Western Oklahoma Long Distance d/b/a Dial Tone Savers (DTS), and serves as SWB's answer to this complaint.

SWB emphasizes here, as it did on the January 20, 1998 conference call, that the matters raised by DTS in its informal complaint are governed by the terms and conditions of the Resale Agreement entered into between SWB and DTS and approved by the Oklahoma Corporation Commission ("OCC"). The Resale Agreement between SWB and DTS provides a mechanism for handling disputes, whether related to billing or other matters, and governs the manner in which SWB and DTS handle the present dispute, as well as any dispute(s) which might arise in the future.

The billing data which SWB provides DTS is transmitted utilizing the National Standard 811 Transaction Set to format and deliver telephone bills sent via Electronic Data Interchange (EDI). This is a national standard established and maintained by the members of the Telephone Bill Work Group (TBWG) and certified by the American National Standards Institute (ANSI). Members of this group are not permitted to deviate from the adopted national standard without approval of the TBWG. SWB's EDI 811 Transaction Set is in compliance with the standards established by the TBWG and certified by ANSI. DTS selected EDI from three available options for receiving its telephone billing from SWB. And, as Mr. Cartagena advised during the January 20, 1998 conference call, his contact with the OCC verified that no other CLEC operating in Oklahoma has reported any difficulty with the billing received from SWB.

Even though SWB's billing to DTS complies with the national industry standards, as discussed above, during the January 20, 1998 conference call, SWB offered to consider whether it could implement five local enhancements or changes to its EDI billing. Four of the five items raised by DTS have been completed, as described in Attachment A, while the fifth item is the subject of further investigation.

During the January 20, 1998 conference call, SWB also agreed to permit any of the DTS employees who attended SWB Toolbar training during July, 1997 to attend the Toolbar training session a second time at no additional charge. On January 28, 1998, SWB provided DTS with a list of all training sessions available during the month of February 1998. In addition, SWB reiterates here, as it did on the January 20, 1998 conference call, its willingness to investigate any question regarding billing presented by DTS with the specificity required by the terms and conditions of the Resale Agreement.

During the January 20, 1998 conference call, DTS agreed to call SWB no later than noon on January 22, 1998, to advise SWB of the amount of billed charges DTS disputes for the months of May through October 1997, inclusive. DTS represented that they had completed auditing the bills for this period. DTS also committed to advise SWB by January 22 of the undisputed amount DTS would be paying SWB and when SWB would be paid.

On the morning of January 22, 1998, Mr. Ron Taylor of DTS advised SWB's Mrs. Lanell Wood that DTS disputes at least 6.6% of the amount DTS owes SWB for the period from May through October, 1997, inclusive. Mr. Taylor added that DTS was still in the process of auditing the May to October bills for additional disputed amount(s) relating to installation charges. While on this call, Mrs. Wood calculated the resulting undisputed amount owed by DTS for the period May through October, 1997, inclusive, and advised Mr. Taylor of that sum. She also reminded Mr. Taylor that, as of that date, DTS was delinquent in paying its bills for the months of November and December, 1997, and reminded him of the additional amount DTS owes SWB for those two months.

Mr. Taylor told Mrs. Wood that he would consider paying fifty percent of the undisputed amount for the period May through October, 1997, inclusive. He advised that he was unable to make a commitment to pay any amount during this conversation, but promised to contact her later in the afternoon with a commitment. Mrs. Wood explained to Mr. Taylor that the fifty percent mentioned during the January 20, 1998 conference call was used solely as an example during that conversation, and did not represent the portion of the delinquent amount due in accordance with the terms of the Resale Agreement.

That afternoon, Mrs. Wood called Mr. Taylor. At this time, Mr. Taylor offered to pay approximately 14.6% of the sum owed for the period from May through October, 1997, inclusive. Mr. Taylor also inquired whether SWB would accept DTS' accounts receivable in partial payment of the sum owed. Mr. Taylor was advised SWB would not accept DTS' accounts receivable; he was also informed that the 14.6% offered would not be sufficient to satisfy the terms of the Resale Agreement. Mr. Taylor committed to contact Mrs. Wood again at 5:00 p.m. When Mr. Taylor failed to call as promised, Mrs. Wood called him, but was advised that he was not available.

On January 21, 1998 at approximately 10:00 a.m., Mrs. Wood called Mr. Taylor and was informed that he was unavailable. Her call was referred to Mr. Scott Liner, Senior Vice President of DTS. Mr. Liner told Mrs. Wood that he was composing a letter which would be sent to SWB via overnight delivery, together with a check representing approximately 5.8% of the amount owed for the period May through October, 1997, inclusive. SWB received the package containing the letter and the check the morning of January 28, 1998.

February 2, 1998

Page Three

ATTACHMENT 7 PAGE 3

After application of the check received January 28, 1998, as of January 30, 1998, DTS' account with SWB had an outstanding balance of approximately 94% of the net amount billed DTS by SWB since DTS began operations in May of 1997. More than 61% of this outstanding balance is "past due" as defined in the Resale Agreement. SWB plans to send DTS the collection letter required by Section XIII.A of its Resale Agreement prior to the close of business on February 2, 1998.

I trust this information will suffice to permit you to close your file on this matter. Please accept our appreciation for the professional manner in which you conducted the two conference calls and for the considerable time you invested in studying the materials submitted by SWB and DTS. If you have any other questions or if we can be of further assistance in this matter, please feel free to contact me.

Sincerely,



Christine Jines

Attachment

cc: Honorable William E. Kennard, Chairman, FCC
Honorable Ed Apple, Chairman OCC
Honorable Bob Anthony, Vice Chairman, OCC
Honorable Denise A. Bode, Commissioner, OCC
Drew Edmondson, Esquire, Oklahoma Attorney General
John Gray, Esquire, Senior Assistant General Counsel, OCC
Jonathan B. Lee, Esquire, Department of Justice
Ron Taylor, CEO, Western Oklahoma Long Distance d/b/a Dial Tone Savers
Jim Hannah, Area Manager, Southwestern Bell Telephone Company